

Trends in Banking and Financial Services Scams

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June 22, 2016

Disclaimer

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NDBF Overview

- The primary mission of the Nebraska Department of Banking and Finance is to maintain the public's confidence in the financial industries of the state. As such, NDBF is engaged in assessing the safety and soundness of financial institutions with an eye towards protecting consumers from loss and fraud.
- Two Divisions: Financial Institutions and Securities Bureau

Issue of Senior Financial Exploitation

- Illegal or improper use of senior adult's funds, property or assets

Addressing Senior Financial Abuse

- Suspicious Activity Reports (SARs)
 - FinCEN advisory (FIN-2011-A003)
https://www.fincen.gov/statutes_regs/guidance/html/fin-2011-a003.html

Indication of Elder Financial Exploitation

- Erratic or unusual banking transactions, or changes in banking patterns:
 - Frequent large withdrawals, including daily maximum currency withdrawals from an ATM;
 - Sudden Non-Sufficient Fund activity;
 - Uncharacteristic nonpayment for services, which may indicate a loss of funds or access to funds;
 - Debit transactions that are inconsistent for the elder;
 - Uncharacteristic attempts to wire large sums of money;
 - Closing of CDs or accounts without regard to penalties.

Indications of Elder Financial Exploitation

- Interactions with customers or caregivers:
 - A caregiver or other individual shows excessive interest in the elder's finances or assets, does not allow the elder to speak for himself, or is reluctant to leave the elder's side during conversations;
 - The elder shows an unusual degree of fear or submissiveness toward a caregiver, or expresses a fear of eviction or nursing home placement if money is not given to a caretaker;
 - The financial institution is unable to speak directly with the elder, despite repeated attempts to contact him or her;
 - A new caretaker, relative, or friend suddenly begins conducting financial transactions on behalf of the elder without proper documentation;
 - The customer moves away from existing relationships and toward new associations with other "friends" or strangers;
 - The elderly individual's financial management changes suddenly, such as through a change of power of attorney to a different family member or a new individual;
 - The elderly customer lacks knowledge about his or her financial status, or shows a sudden reluctance to discuss financial matters.

Other Resources

- Nebraska Bankers Association
<http://www.nebankers.org/index.php/products-a-services/bank-security/elder-abuse-prevention-handbook.html#.V1g3Hk32aU1>
- Provides links to common "red flags", handbooks and links to other resources, including Nebraska Department of Human Resources Adult Protective Services

Other Resources

- Nebraska DHHS Adult Protective Services
- http://dhhs.ne.gov/children_family_services/Page/nea_aps_apsindex.aspx

ServeOurSeniors.org

- Serve Our Seniors is an initiative of the [North American Securities Administrators Association](#), the voice of state and provincial securities regulators.
- *With at least a third of its members' enforcement actions involving senior investors, NASAA developed this website to provide resources for senior investors, family caregivers, the securities industry, and policymakers. Senior financial exploitation causes the loss of millions of dollars each year.*

Legislative Initiatives LB953

- The purpose of LB953 is to protect vulnerable adults from financial exploitation. The bill establishes a process whereby a Financial Advisor who suspects that attempted financial exploitation of a vulnerable adult client may be occurring may notify his/her Firm of the suspected financial exploitation. The Firm, upon suspecting financial exploitation of a vulnerable adult client, may temporarily refuse to execute the client's requested financial transaction and notify the appropriate agencies.
- The refusal to execute a transaction described above will expire upon the earliest occurrence of one of three events: 1) the Financial Advisor or Firm reasonably believes that execution of the transaction will not result in financial exploitation; 2) 15 business days after the initial refusal; or notification from the Nebraska Department of Insurance or Department of Banking and Finance that the transaction should be executed.
- Financial Advisors and Firms are absolutely immune from civil, criminal, administrative, and other liability for refusing to execute a transaction in good faith and when exercising reasonable care.

Contact the Department

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